

the authorization and issuance of complimentary services and items including cash and noncash gifts. Such procedures shall include, but shall not be limited to, the procedures by which the gaming operation delegates to its employees the authority to approve the issuance of complimentary services and items and the procedures by which conditions or limits, if any, which may apply to such authority are established and modified, including limits based on relationships between the authorizer and recipient, and shall further include effective provisions for audit purposes.

(b) At least weekly, accounting, MIS, or alternative personnel that cannot grant or receive complimentary privileges shall prepare reports that include the following information for all complimentary service or item that exceeds \$50.00:

(1) Name of patron who received the complimentary service or item;

(2) Name(s) of employee(s) who issued and/or authorized the complimentary service or item;

(3) The actual cash value of the complimentary service or item;

(4) The type of complimentary service or item (i.e., food, beverage, etc.); and

(5) Date the complimentary service or item was issued.

(c) The internal audit or accounting departments shall review the reports required in paragraph (b) of this section at least weekly. These reports shall be made available to the Tribe, the tribe's independent regulatory body, and the Commission upon request.

§ 542.18 Who may apply for a variance and how do I apply for one?

(a) Variance for Tier A and Tier B gaming operations. (1) A Tribe may apply for a variance in its tribal MICS for Tier A or Tier B gaming operations if the Tribe has determined that:

(i) The gaming operation is unable to comply substantially with an internal control standard in this part; and

(ii) The gaming operation develops a variance that will achieve adequate control for the standard which it seeks to replace.

(2) For each standard for which the Tribe seeks a variance, the Tribe shall

submit to the Commission a detailed report which shall include the following information:

(i) An explanation of why the gaming operation is unable to comply substantially with the standard;

(ii) A description of the proposed variance;

(iii) An explanation of how the proposed variance achieves adequate control; and

(iv) Evidence that the Tribe or its independent regulatory body has approved the variance.

(3) The Commission may test the adequacy of the variance.

(b) Variances for Tier B and C gaming operations. (1) A Tribe may apply for a variance in its tribal MICS for Tier C gaming operations if the Tribe has determined that the variance will achieve at least the same level of control as the standard the variance is to replace.

(2) For each standard for which the Tribe seeks a variance, the Tribe shall submit to the Commission a detailed report which shall include the following information:

(i) An explanation of why the Tribe is seeking a variance;

(ii) A description of the proposed variance;

(iii) An explanation of how the proposed variance achieves at least the same level of control as the standard it is to replace; and

(iv) Evidence that the Tribe or its independent regulatory body has approved the variance.

(3) The Commission may test the adequacy of the variance.

(c) The Commission may grant the request for a variance upon its sole discretion. Variances will not be granted routinely. The gaming operation shall comply with standards at least as stringent as those set forth in this part until such time as the Commission approves a request for a variance.

(d) Approval of variances shall expire three years from the date of approval. A Tribe may apply for a renewal of a variance by submitting a request which shall include a justification of why the variance should be renewed. The Commission may grant the request for renewal of a variance upon its sole discretion.

§ 542.19

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§ 542.19 Does this part apply to charitable bingo operations?

(a) This part shall not apply to charitable bingo operations provided that:

(1) All proceeds are for the benefit of a charitable organization;

(2) The Tribe permits the charitable organization to be exempt from this part;

(3) The charitable bingo operation is operated wholly by the charitable organization's employees or volunteers;

(4) The annual gross gaming revenue of the charitable organization does not exceed \$50,000; and

(5) The Tribe establishes and the charitable bingo operation complies with minimum standards which shall protect the integrity of the game and safeguard the monies used in connection with the game.

(b) Nothing in this section shall exempt bingo operations conducted by independent operators for the benefit of a charitable organization.

PARTS 543–549 [RESERVED]